

**MMA Testimony on HB 4781-4782  
House Commerce Committee  
June 22, 2011**

Thank you Mr. Chair and members of the Committee. My name is Delaney Newberry and I am Director of Human Resource Policy for the Michigan Manufacturers Association. I am pleased to express our support for House Bills 4781 and 4782.

MMA represents about 2,500 members that operate in the full spectrum of manufacturing industries, ranging from small manufacturers to some of the world's largest corporations. Manufacturing continues to be the largest sector of our economy, directly employing over 500,000 Michigan residents.

Our primary goal is to help Michigan manufacturers successfully compete in the national and international marketplace. MMA and its member have long said that because Michigan's Unemployment Insurance (UI) system is 100% employer-financed through payroll taxes, careful stewardship of its administration is critical to manufacturers' competitiveness. We support cost saving reforms such as House Bill 4781 and 4782 that enhance the integrity of the UI system.

Unemployment benefits are intended to be a temporary safety net for employees who find themselves without a job through no fault of their own. The changes included in House Bill 4782 help to return the system to that intended purpose. By requiring claimants to apply diligently for suitable work and disqualifying individuals who fail to meet production quotas and are chronically late or absent, the bill makes sure that benefits continue to be available to the people that deserve them.

The common sense changes included in House Bills 4781 work to inject fairness into the UI system for job providers by moving to an annual income formula to prevent "benefit spiking" and by clarifying the employer eligibility for the seasonal employer designation. Michigan's debt to the federal government has grown to over \$3 billion, presenting a very serious threat to solvency. This bill helps to shore up the solvency of our state UI trust fund by saving \$150 million to \$250 million per year in payments.

We greatly appreciate Representative Schmidt and Representative Haveman's leadership on this legislation and this Committee's action to straighten out this seriously strained system that is completely paid for with employer dollars. Thank you for the opportunity to speak to you today and we urge your support for HB 4781 and 4782.